



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2009 Biennium

<b>Bill #</b>	HB0788	<b>Title:</b>	Revise veterans war bonus program
<b>Primary Sponsor:</b>	Ankney, Duane	<b>Status:</b>	As Introduced

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input type="checkbox"/> Needs to be included in HB 2  | <input checked="" type="checkbox"/> Technical Concerns   |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

### FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<b>Expenditures:</b>				
General Fund	\$3,563,187	\$436,813	\$0	\$0
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance</b>	<u>(\$3,563,187)</u>	<u>(\$436,813)</u>	<u>\$0</u>	<u>\$0</u>

### Description of Fiscal Impact:

This bill provides for an honorarium, up to \$1,000 to be paid to every service member who is a Montana resident that has served in a contingency operation, was declared missing in action, was a prisoner of war, or was killed in action; since September 11, 2001 and before June 30, 2009. The estimate of costs associated with Montana National Guard and Reserve members is \$1,985,775. The estimate of costs associated with active duty Montana Residents serving outside the state of is unknown. The bill contains an appropriation of up to \$4 million from the general fund to cover these expenses.

### FISCAL ANALYSIS

#### Assumptions:

#### **Department of Military Affairs (DoMA)**

1. The Montana Veterans' Affairs Division will administer this program and will need 1.00 FTE to do so.
2. It is estimated that the Montana National Guard has 1971 members that were deployed or will be deployed for an average of 14 months for the period Sept. 11, 2001 thru June 30, 2008 for a cost of \$1,379,700 and 67 members deployed from July 1, 2008 thru June 30, 2009 for a cost of \$46,900 totaling \$1,426,600.00.  $(1971 \times 14 \times \$50 = \$1,379,700) + (67 \times 14 \times \$50 = \$46,900) = \$1,426,600$

3. It is estimated that the Army Reserve has 351 members that were deployed or will be deployed for an average of 17 months for the period of Sept. 11, 2001 thru June 30, 2008 for a cost of \$298,350 and 50 members that will be deployed from July 1, 2008 thru June 30, 2009 for a cost of \$42,500 totaling \$340,850.  
 $(351 \times 17 \times \$50 = \$298,350) + (50 \times 17 \times \$50 = \$42,500) = \$340,850$
4. It is estimated that the Naval Reserve has 300 members that were deployed or will be deployed for an average of 7 months for the period of Sept. 11, 2001 thru June 30, 2008 for a cost of \$105,000 and 52 members deployed from July 1, 2008 thru June 30, 2009 for a cost of \$18,200 totaling \$123,200.  
 $(300 \times 7 \times \$50 = \$105,000) + (52 \times 7 \times \$50 = \$18,200) = \$123,200$
5. Two National Guard members have been killed in action.  $(2 \times \$1000 = \$2,000)$
6. This fiscal note contains information from only 3 entities. Information from other reserve components and the active components is unavailable.
7. This bill appropriates \$4 million to the DoMA from the state general fund for the 2009 biennium.

	<b><u>FY 2008 Difference</u></b>	<b><u>FY 2009 Difference</u></b>	<b><u>FY 2010 Difference</u></b>	<b><u>FY 2011 Difference</u></b>
<b><u>Fiscal Impact:</u></b>				
<b>Department of Military Affairs</b>				
<b>FTE</b>	1.00	1.00	0.00	0.00
<b><u>Expenditures:</u></b>				
Personal Services	\$45,000	\$46,125	\$0	\$0
Operating Expenses	\$2,000	\$0	\$0	\$0
Benefits	\$3,516,187	\$390,688	\$0	\$0
<b>TOTAL Expenditures</b>	<b><u>\$3,563,187</u></b>	<b><u>\$436,813</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$3,563,187	\$436,813	\$0	\$0
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	(\$3,563,187)	(\$436,813)	\$0	\$0

**Technical Notes:**

1. There will be military personnel with qualifying service for the honorarium who will be discharged from the armed forces after June 30, 2009. The appropriation exists only in fiscal years 2008 and 2009 and these members will not be able to receive the honorarium.
2. Many National Guard and Reserve units were ordered to federal active duty based on contingency operations, but were stationed in the United States to “backfill” active component units. These members will not be eligible for the honorarium.

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Sponsor's Initials\_\_\_\_\_  
Date\_\_\_\_\_  
Budget Director's Initials\_\_\_\_\_  
Date